

**BRANCH DISTRICT LIBRARY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2005**

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name <b>BRANCH DISTRICT LIBRARY</b>	County <b>BRANCH</b>
Audit Date <b>12/31/05</b>	Opinion Date <b>1/24/06</b>	Date Accountant Report Submitted to State: <b>2/27/2006</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>RUMSEY &amp; WATKINS, P.C.</b>			
Street Address <b>20 TIBBITS PLAZA</b>		City <b>COLDWATER</b>	State <b>MI</b>
Accountant Signature <i>Rumsey &amp; Watkins, P.C.</i>		ZIP <b>49036</b>	Date <b>2/28/2006</b>

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# **Rumsey & Watkins, P.C.**

Certified Public Accountants and Business Advisors

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## **INDEPENDENT AUDITOR'S REPORT**

**January 24, 2006**

**To the Members of the Branch  
District Library Board  
Branch County, Michigan**

We have audited the accompanying financial statements of each major fund of the Branch District Library as of and for the year ended December 31, 2005, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit, also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The accompanying financial statements do not present government-wide financial statements to display the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Library's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Branch District Library as of December 31, 2005 or the changes in its financial position for the year then ended.

**To Members of the Branch  
District Library Board  
Branch County, Michigan**

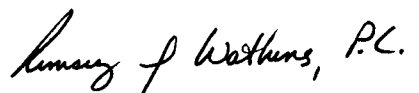
**January 24, 2006**

The budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Branch District Library's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying financial statements do not include a management's discussion and analysis, which would present an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statements.

The Library adopted Governmental Accounting Standards Board Statement Number 40 during the current year. As a result, these financial statements present new financial information within the financial statement footnotes related to deposits and investments.

  
**RUMSEY & WATKINS, P.C.**

**BRANCH DISTRICT LIBRARY**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**DECEMBER 31, 2005**

	<u>General Fund</u>	<u>Special Revenue Trust Fund</u>
<b>ASSETS</b>		
Cash	\$ 103,004	\$ 61,354
Investments	260,668	-
Due from County	39,726	-
Due from City of Coldwater	168	-
Restricted assets:		
Cash	-	27,507
Investments	-	-
	<u>          </u>	<u>          </u>
Total assets	<u><u>\$ 403,566</u></u>	<u><u>\$ 88,861</u></u>

**LIABILITIES AND FUND BALANCE**

<b>LIABILITIES</b>		
Accounts payable	\$ 20,547	\$ 8,305
Accrued expenses	17,588	-
Deferred revenue	8,530	-
	<u>          </u>	<u>          </u>
Total liabilities	46,665	8,305
 <b>FUND BALANCE</b>		
Reserved	-	-
Designated	-	27,507
Undesignated	356,901	53,049
	<u>          </u>	<u>          </u>
Total fund balance	356,901	80,556
	<u>          </u>	<u>          </u>
Total liabilities and fund balance	<u><u>\$ 403,566</u></u>	<u><u>\$ 88,861</u></u>

<b>Capital Projects Fund</b>	<b>Permanent Trust Fund</b>	<b>Total Governmental Fund</b>
\$ 138,799	\$ -	\$ 303,157
-	-	260,668
-	-	39,726
-	-	168
-	52,000	79,507
-	90,134	90,134
<u>\$ 138,799</u>	<u>\$ 142,134</u>	<u>\$ 773,360</u>

\$ 394	\$ -	\$ 29,246
-	-	17,588
-	-	8,530
<u>394</u>	<u>-</u>	<u>55,364</u>
-	142,134	142,134
138,405	-	165,912
-	-	409,950
<u>138,405</u>	<u>142,134</u>	<u>717,996</u>
<u>\$ 138,799</u>	<u>\$ 142,134</u>	<u>\$ 773,360</u>

**BRANCH DISTRICT LIBRARY**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUE, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**YEAR ENDED DECEMBER 31, 2005**

	<b>General Fund</b>	<b>Special Revenue Trust Fund</b>
<b>REVENUES</b>		
Taxes	\$ 563,539	\$ -
State aid	41,237	-
Charges for services	20,958	-
Penal fines	251,315	-
Interest earned	11,145	5,255
Donations	-	29,044
Reimbursements	50,912	-
Other revenue	11,642	-
	<hr/>	<hr/>
Total revenues	950,748	34,299
<b>EXPENDITURES</b>		
Cultural	979,679	99,368
Capital outlay	-	-
	<hr/>	<hr/>
Total expenditures	979,679	99,368
	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	(28,931)	(65,069)
<b>OTHER SOURCES (USES)</b>		
Transfers from (to) other funds	27,000	-
	<hr/>	<hr/>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,931)	(65,069)
<b>FUND BALANCE - BEGINNING</b>	358,832	145,625
	<hr/>	<hr/>
<b>FUND BALANCE - ENDING</b>	<u>\$ 356,901</u>	<u>\$ 80,556</u>

See Notes to Financial Statements



<b>Capital Projects Fund</b>	<b>Permanent Trust Fund</b>	<b>Total Governmental Fund</b>
\$ 92,268	\$ -	\$ 655,807
-	-	41,237
-	-	20,958
-	-	251,315
2,869	-	19,269
-	-	29,044
-	-	50,912
100	-	11,742
95,237	-	1,080,284
-	-	1,079,047
63,825	-	63,825
63,825	-	1,142,872
31,412	-	(62,588)
(27,000)	-	-
4,412	-	(62,588)
133,993	142,134	780,584
<u>\$ 138,405</u>	<u>\$ 142,134</u>	<u>\$ 717,996</u>

**BRANCH DISTRICT LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Branch District Library conform to generally accepted accounting principles of the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

**REPORTING ENTITY:**

The Library was formed during 1991 under P.A. 24 and began operations as a separate entity on January 1, 1992. Previously, the Library was a component unit of the County of Branch. The Library operates under an appointed board of seven members and provides library services to the residents of Branch County. The financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the responsibility, scope of public service and special financing under this criteria, to be included in these financial statements.

**FUND FINANCIAL STATEMENTS:**

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION:**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, compensated absences and claims and judgments are recorded when payment is due.

The Library reports the following governmental funds:

**General Fund** is the operating fund of the Library. It is used to account for all the Library's financial resources not required to be accounted for in another fund.

**Special Revenue Trust Fund** is used to account for donations received and expended for Library purposes.

## **BRANCH DISTRICT LIBRARY**

### **NOTES TO FINANCIAL STATEMENTS – Continued FOR THE YEAR ENDED DECEMBER 31, 2005**

#### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION: - Continued**

**Capital Projects Fund** is used to account for the portion of the millage designated each year by the Board to be expended for capital outlay.

**Permanent Trust Fund** is used to account for the assets held by the Library in a trustee capacity for donations. The principle portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the donor.

##### **ASSETS, LIABILITIES, AND NET ASSETS**

**Cash and Investments** - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Pooled investment income is generally allocated to each fund using a weighted average.

**Capital Assets** - The Library implemented portions of the new financial model, as required by the provisions of GASB 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments ("GASB 34"). A portion of GASB No. 34 not implemented by the Library is the government-wide financial statements which display the full accrual financial position and changes in financial position of its government activities. Since the Library did not present government-wide financial statements, the governmental activities capital assets are not reported within the Library's financial statements as of December 31, 2005.

**Compensated Absences** - As of December 31, 2005, the Library was liable for compensated absences of unused vacation and sick pay for approximately \$53,000. Vacation and sick pay is earned, accumulated and paid on termination based upon the personnel policies governing the various employees.

The Library implemented portions of the new financial model as required by the provisions of GASB 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government's ("GASB 34"). A portion of GASB No. 34 not implemented by the Library is the government-wide financial statements which display the full accrual financial position and changes in financial position of its government activities. Since the Library did not present the government-wide financial statements, the governmental activities long-term obligation of \$53,000 is not reported within the Library's financial statements as of December 31, 2005.

## **BRANCH DISTRICT LIBRARY**

### **NOTES TO FINANCIAL STATEMENTS – Continued FOR THE YEAR ENDED DECEMBER 31, 2005**

#### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **ASSETS, LIABILITIES, AND NET ASSETS – Continued**

**Fund Balance** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**Accounting Change** - In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. The Library has implemented portions of GASB 34.

However, the Library did not present government-wide financial statements to display the financial position and changes in financial position using full accrual accounting for all the Township's activities. These statements would present the Library's governmental activities. In addition, the Township did not include a management's discussion and analysis, which would present an analysis of the financial performance for the year.

Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in the government-wide financial statements for the Library's governmental activities are not reasonably determinable. The Governmental Accounting Standards Board has determined that the management's discussion and analysis is necessary to supplement, although not required to be part of, the basic financial statements.

Because of the effects of the matter discussed in the preceding paragraphs, the Library's financial statements do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Branch District Library as of December 31, 2005 or the changes in its financial position for the year ended.

##### **BASIS OF BUDGETING:**

The Library budget was adopted based on the modified accrual method of accounting. Expenditures were estimated by line item basis, but approved on a functional basis. The budget can only be amended by the Board. Such amendments are reflected in the official minutes of the Board, and are not made after year end as dictated by law. No revisions to the budget were made during the year.

In the other supplemental information, the Library has provided line item detail for the General Fund for informational purposes only.

**BRANCH DISTRICT LIBRARY**

**NOTES TO FINANCIAL STATEMENTS – Continued  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS, LIABILITIES, AND NET ASSETS – Continued**

**ENCUMBRANCE ACCOUNTING:**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year end and outstanding encumbrances at year end may be reappropriated in the next year. No reservation of fund balance equal to outstanding encumbrances at year end is required.

**USE OF ESTIMATES:**

The Library uses estimates and assumptions in the preparation of the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenditures.

**NOTE B - DEPOSITS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, authorizes the Library to deposit and invest in accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States which the principal and interest is fully guaranteed by the United States, including securities issued or guaranteed by the Government National Mortgage Association; United States government of Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the three highest classifications, which mature not more than 270 days after the date of purchase, and which involve no more than 50 percent of any one fund; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion No. 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan.

The Library has designated financial institutions for the deposit of Library funds and has authorized the investment in certificates of deposit. The accounts maintained are checking, savings and certificates of deposit and are in accordance with statutory authority. The interest rates of the checking and savings accounts are at variable daily rates. The certificates of deposit are currently earning interest rates of 2.95% and 3.10%.

Investments consist of certificate of deposits with an original maturity date of six months. The investments are carried at cost which approximates market value.

## **BRANCH DISTRICT LIBRARY**

### **NOTES TO FINANCIAL STATEMENTS – Continued FOR THE YEAR ENDED DECEMBER 31, 2005**

#### **NOTE B - DEPOSITS AND INVESMENTS - Continued**

**Interest rate risk** – In accordance with its investment policy, the Library will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Library's cash requirements.

**Credit risk** – State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). The Library does not allow direct investment in commercial paper or corporate bonds.

**Concentration of credit risk** – The Library will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Library's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

**Custodial credit risk (deposits)** – In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be recovered. As of December 31, 2005, \$608,185 of the Library's bank balance of \$778,164 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Custodial credit risk (investments)** – For an investment, this is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Library will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Library will do business.

#### **NOTE C – DUE FROM COUNTY**

As of December 31, 2005, the Library has amounts due from the County of Branch in the amount of \$39,726 for penal fines.

## **BRANCH DISTRICT LIBRARY**

### **NOTES TO FINANCIAL STATEMENTS – Continued FOR THE YEAR ENDED DECEMBER 31, 2005**

#### **NOTE D – RESERVED AND DESIGNATED FUND BALANCE**

Reserved and designated fund balances, as of December 31, 2005, are as follows:

**Reserved:**

Permanent Trust Fund	
M. Semmelroth Memorial	\$ 50,000
E. Dallen Memorial	2,000
G. Barnett Memorial	<u>90,134</u>
 Total reserved fund balance	 \$ <u>142,134</u>

**Designated:**

Special Revenue Trust Fund:	
E. Dallen Memorial	\$ 606
R. Fisher Memorial	5,773
G. Barnett Memorial	3,377
Bronson operations	<u>17,751</u>
 Total Special Revenue Trust Fund	 27,507
 Capital Projects Fund:	
Capital Outlay	<u>138,405</u>
 Total designated fund balance	 \$ <u>165,912</u>

#### **NOTE E – TAXES**

The Library's property taxes are levied each December 1. Taxes are collected by the local governmental units within Branch county and are remitted to County of Branch, which in turn remits them to the Library.

The 2005 tax rate was .6091 of a mill.

Personal property taxes are accounted for as revenue as received, therefore, no provision for uncollectible personal property taxes has been made in these financial statements.

## **BRANCH DISTRICT LIBRARY**

### **NOTES TO FINANCIAL STATEMENTS – Continued FOR THE YEAR ENDED DECEMBER 31, 2005**

#### **NOTE F – LEASE AGREEMENT**

The library leases its facilities from the City of Coldwater. The initial term of the lease is for twenty-five years, with rent in the amount of \$1 per year.

#### **NOTE G – DEFERRED COMPENSATION PLANS**

The Library offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan available to all Library employees, permits them to defer a portion of their salary until future years. The deferred compensation is generally not available to the employees until termination, retirement, death or unforeseeable emergency.

The Library funds all amounts of compensation deferred under the plan, at the direction of the covered employee, through investments approved by the plan's committee.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are, held in trust for the exclusive benefit of the participating employees and are not assessable by the Library or its creditors.

The Library has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

The Library has established Money Purchase Plan for the Library Director. The plan calls for contributions on the Director's behalf and contains no requirements for matching contributions from the participant. The Library contribution for the year ended December 31, 2005 amounted to \$4,000 and is recorded in the General Fund.

#### **NOTE H – RISK MANAGEMENT**

The Library is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries. The Library has purchased commercial insurance for the coverage of the above discussed events.



**BRANCH DISTRICT LIBRARY**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
<b>REVENUES</b>			
Taxes	\$ 556,889	\$ 556,889	\$ 563,539
State aid	51,700	51,700	41,237
Charges for services	20,000	20,000	20,958
Penal fines	260,000	260,000	251,315
Interest earned	7,000	7,000	11,145
Reimbursements	45,550	45,550	50,912
Other revenue	-	-	11,642
Total revenues	941,139	941,139	950,748
<b>EXPENDITURES</b>			
Cultural	964,376	964,376	979,679
Excess (deficiency) of revenues over expenditures	(23,237)	(23,237)	(28,931)
<b>OTHER SOURCES</b>			
Transfer from other funds	27,000	27,000	27,000
Excess (deficiency) of revenues and other sources over expenditures	3,763	3,763	(1,931)
<b>FUND BALANCE - BEGINNING</b>	356,480	356,480	358,832
<b>FUND BALANCE - ENDING</b>	<u>\$ 360,243</u>	<u>\$ 360,243</u>	<u>\$ 356,901</u>

**BRANCH DISTRICT LIBRARY**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Interest	\$ -	\$ -	\$ 5,255
Donations	-	-	29,044
Total revenues	-	-	34,299
<b>EXPENDITURES</b>			
Cultural	-	-	99,368
Excess (deficiency) of revenues over expenditures	-	-	(65,069)
<b>FUND BALANCE - BEGINNING</b>	-	-	145,625
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,556</u>

**BRANCH DISTRICT LIBRARY**  
**NOTE TO REQUIRED SUPPLEMENTAL INFORMATION**  
**YEAR ENDED DECEMBER 31, 2005**

**COMPLIANCE WITH STATE REGULATIONS**

A comparison of actual results of operations to the budgeted amounts, at the level of control adopted by the Library, for the General Fund and Special Revenue Trust Fund is presented as Required Supplemental Information. The budget is adopted on the functional level.

During the year the Library incurred expenditures that were in excess of the amounts budgeted, as follows:

	<u>Budget</u>	<u>Actual</u>
General Fund - Cultural	\$ 964,376	\$ 979,679
Special Revenue Trust Fund - Cultural	\$ -	\$ 99,368

**BRANCH DISTRICT LIBRARY**  
**OTHER SUPPLEMENTAL INFORMATION**  
**GENERAL FUND**  
**STATEMENT OF EXPENDITURES COMPARED TO BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

<b>CULTURAL</b>	<b>Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
Salaries	\$ 523,433	\$ 550,637	\$ 27,204
Payroll taxes	40,043	42,277	2,234
Unemployment	-	401	401
Workers' compensation	3,000	2,229	(771)
Longevity	2,700	2,400	(300)
Deferred compensation	4,000	4,000	-
Board per diem	3,300	2,750	(550)
Hospitalization	55,000	49,719	(5,281)
Employee relations	500	216	(284)
Contracted services	21,000	21,043	43
Training	3,000	1,424	(1,576)
Facilities rent	2,000	2,000	-
Telephone	8,000	9,288	1,288
Utilities	45,000	41,964	(3,036)
Insurance	12,000	11,443	(557)
Maintenance	38,000	38,796	796
Equipment maintenance	9,000	6,004	(2,996)
Network maintenance	23,000	23,532	532
Janitorial supplies	500	13	(487)
Operating supplies	10,000	11,133	1,133
Office supplies	10,000	9,634	(366)
Postage	3,000	5,228	2,228
Books	88,700	84,933	(3,767)
Periodicals	6,000	6,905	905
Audio/visual	11,500	11,967	467
Membership and dues	1,000	1,304	304
Transportation	7,800	7,454	(346)
Community promotions	5,200	5,277	77
Printing and publishing	700	1,268	568
Professional services	27,000	21,902	(5,098)
Correction of prior years' taxes	-	2,538	2,538
Total Cultural expenditures	<u>\$ 964,376</u>	<u>\$ 979,679</u>	<u>\$ 15,303</u>